

Nassau County Sewer and Storm Water Finance Authority 2009 Annual Investment Report (Including Years 2005 – 2008)

Overview

Most of the revenues of the Nassau County Sewer and Storm Water Finance Authority (the “Authority”) are derived through the imposition by Nassau County (the “County”) of assessments for sewer and storm water resources services. The County has directed each city and town receiver of taxes to pay all such assessments directly to the trustee for the Authority’s bonds. The Authority retains sufficient funds to service all debt (including bonds issued by or on behalf of the County for sewer and storm water resources facilities), and pay its operating expenses. Excess funds are remitted to the Nassau County Sewer and Storm Water Resources District (the “District”), which is responsible for paying for the operations of the County’s sewer and storm water resources services. The Authority currently invests available cash in U.S. Treasury Securities. The investments are purchased through the Bank of New York Mellon, the Trustee for the Authority’s debt. The Bank of New York Mellon is paid an annual trustee fee of \$32,500. The Authority’s financial statements are audited by Deloitte & Touche LLP. The 2009 audit fee was \$28,900. The Authority does not pay any other fees to any investment banker, broker, agent or dealer for investment services.

Annual Investment Income

<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
\$177,456	\$664,065	\$230,382	\$1,671,972	\$5,325,563

2009 Investment Report

As of December 31, 2009, investments consisted of United States Treasury Securities in the amount of \$25,743,227. These investments are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, as cash equivalents since they have original maturities of three months or less. These investments are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk.

Financial instruments, which potentially subject the Authority to concentrations of credit risk, are cash, cash equivalents and investments. The Authority limits its credit risk by placing its cash, cash equivalents and investments with highly-rated banks, which invest the Authority’s

funds in U.S. Government securities, and certificates of deposit.

As of December 31, 2009, the Authority's cash and cash equivalents were as follows:

Cash	\$107,882
U.S. Treasury Securities	<u>25,743,227</u>
Total Cash and Cash Equivalents	<u>\$25,851,109</u>

2008 Investment Report

As of December 31, 2008, investments consisted of United States Treasury Securities in the amount of \$28,708,708. These investments are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, as cash equivalents since they have original maturities of three months or less. These investments are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk.

Financial instruments, which potentially subject the Authority to concentrations of credit risk, are cash, cash equivalents and investments. The Authority limits its credit risk by placing its cash, cash equivalents and investments with highly-rated banks, which invest the Authority's funds in U.S. Government securities, and certificates of deposit.

As of December 31, 2008, the Authority's cash and cash equivalents were as follows:

Cash	\$146,158
U.S. Treasury Securities	<u>28,708,708</u>
Total Cash and Cash Equivalents	<u>\$28,854,866</u>

2007 Investment Report

As of December 31, 2007 investments consisted of United States Treasury Securities in the amount of \$24,460,153. These investments are defined under GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, as cash equivalents since they have original maturities of three months or less. These investments are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk.

Financial instruments, which potentially subject the Authority to concentrations of credit risk, are cash, cash equivalents and investments. The Authority limits its credit risk by placing its cash,

cash equivalents and investments with highly-rated banks, which invest the Authority's funds in U.S. Government securities, and certificates of deposit.

As of December 31, 2007, the Authority's cash and cash equivalents were as follows:

Cash	\$139,410
U.S. Treasury Securities	<u>24,460,153</u>
Total Cash and Cash Equivalents	\$24,599,563

2006 Investment Report

As of December 31, 2006 investments consisted of United States Treasury Securities in the amount of \$21,980,993. These investments are defined under GASB Statement No. 9 as cash equivalents since they have original maturities of three months or less. These investments are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk.

Financial instruments, which potentially subject the Authority to concentrations of credit risk, are cash, cash equivalents and investments. The Authority limits its credit risk by placing its cash, cash equivalents and investments with highly-rated banks, which invest the Authority's funds in U.S. Government securities, and certificates of deposit.

As of December 31, 2006 the Authority's cash and cash equivalents were as follows:

Cash	\$6,620,983
U.S. Treasury Securities	<u>21,980,993</u>
Total Cash and Cash Equivalents	\$28,601,976

2005 Investment Report

As of December 31, 2005 investments consisted of United States Treasury Securities in the amount of \$58,794,125. These investments are defined under GASB Statement No. 9 as cash equivalents since they have original maturities of three months or less. These investments are explicitly guaranteed by the U.S. government and therefore not considered to have credit risk.

Financial instruments, which potentially subject the Authority to concentrations of credit risk, are cash, cash equivalents and investments. The Authority limits its credit risk by placing its cash, cash equivalents and investments with highly rated banks, U.S. Government, securities, and certificates of deposit.

As of December 31, 2005 the Authority's cash and cash equivalents were as follows:

Cash	\$652,360
U.S. Treasury Securities	<u>58,794,125</u>
Total Cash and Cash Equivalents	\$59,446,485